

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY

RE: FINAL DESIGNATION OF NEW ENGLAND MEDICAL CENTER HOSPITAL
APPROVAL OF FINAL WORKING DRAWINGS AND SPECIFICATIONS
AND PROPOSED DISPOSITION OF PARCEL P-4(1B) INCLUDING
DISCONTINUED AIR RIGHTS OVER WASHINGTON STREET
IN THE SOUTH COVE URBAN RENEWAL AREA
PROJECT NO. MASS. R-92

WHEREAS, the Boston Redevelopment Authority, (hereinafter referred to as the "Authority"), has entered into a contract for loan and capital grant with the Federal Government under Title I of the Housing Act of 1949, as amended, which contract provides for financial assistance to the hereinafter identified project; and

WHEREAS, the Urban Renewal Plan for the South Cove Urban Renewal Area, Project No. Mass. R-55 (hereinafter referred to as the "Project Area"), has been duly reviewed and approved in full compliance with local, state and federal laws; and

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of the urban renewal projects with Federal financial assistance under said Title I, including those prohibiting discrimination because of race, color, sex, religion or national origin; and

WHEREAS, the New England Medical Center Hospital has expressed an interest in and has submitted a satisfactory proposal for the development of Disposition Parcel P-4(1B) including the discontinued air rights over Washington Street in the South Cove Urban Renewal Area; and

WHEREAS, the Authority is cognizant of Chapter 30, Sections 61 through 62H of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damages to the environment:

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That the New England Medical Center Hospital be and hereby is finally designated as Redeveloper of Disposition Parcel P-4(1B), including the discontinued air rights over Washington Street in the South Cove Urban Renewal Area.
2. That it is hereby determined that the New England Medical Center Hospital possesses the qualifications and financial resources necessary to acquire and develop the land in accordance with the Urban Renewal Plan for the Project Area.

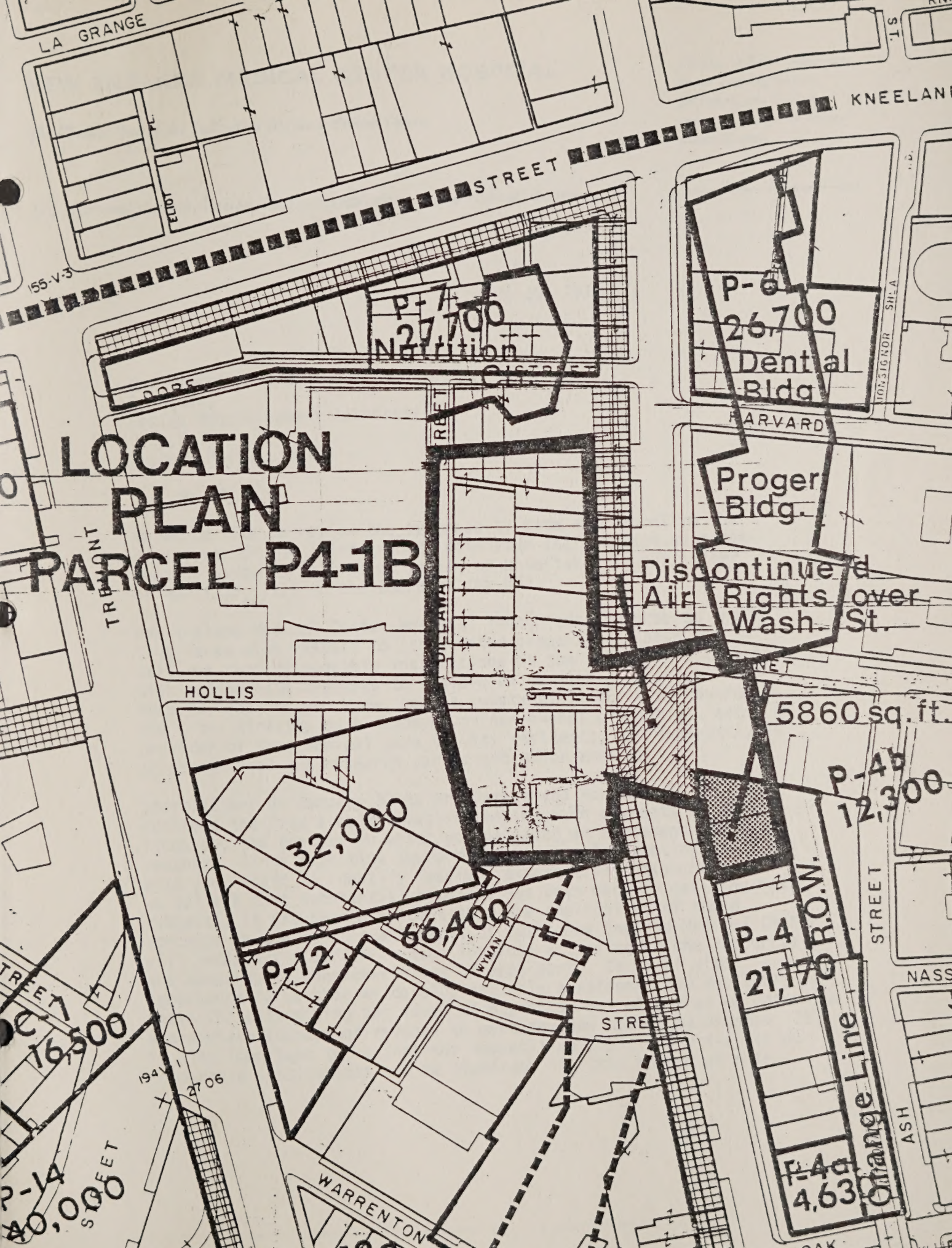
3. That disposal of said parcel by negotiation is the appropriate method of making the land available for redevelopment.

4. That the Final Working Drawings and Specifications submitted by the New England Medical Center Hospital for the development of Parcel P-4(1-B) including discontinued air rights over Washington Street conform in all respects to the Urban Renewal Plan for the Project Area, and that said Final Working Drawings and Specifications be and hereby are approved.

5. That it is hereby found and determined that the proposed development will not result in significant damage to or impairment of the environment and further, that all practicable and reasible means and measures have been taken and are being utilized to avoid or minimize damage to the environment.

6. That the Director is hereby authorized for and in behalf of the Boston Redevelopment Authority to execute and deliver a Land Disposition Agreement and Deed conveying Parcel P-4(1B) including the discontinued air rights over Washington Street to the New England Medical Center Hospital said documents to be in the Authority's usual form.

7. That the Secretary is hereby authorized and directed to publish notice of the proposed disposal transaction in accordance with Section 105(E) of the Housing Act of 1949, as amended, including information with respect to the "Redeveloper's Statement for Public Disclosure". (Federal Form H-6004).



LA GRANGE

KNEELAND

STREET

55-V-3

P-7
27,700
Nutrition
Bldg.

P-6
26,700
Dental
Bldg.

HARVARD

Proger
Bldg.

Discontinued
Air Rights over
Wash. St.

5860 sq. ft.

P-4b
12,300

P-4
21,170
R.O.W.

P-4a
4,630
Change Line

STREET

NASSAU

ASH

WARRENTON

HOLLIS

LOCATION PLAN PARCEL P4-1B

32,000

66,400

P-12

P-14
40,000

1940
2706

STREET

NEW ENGLAND MEDICAL CENTER HOSPITAL

The Clinical Unit of the Tufts-New England Medical Center

*Uniting the Boston Dispensary,
Boston Floating Hospital
for Infants and Children,
and Pratt Clinic-New England
Center Hospital*

171 Harrison Avenue, Boston, Massachusetts 02111 Area code 617 956-5000

July 30, 1979

Mr. Robert J. Ryan
Director,
Boston Redevelopment Authority
City Hall
Boston, Mass. 02108

Dear Mr. Ryan:

We would like to review the progress to date and reconfirm the objectives of the joint efforts with your staff toward an agreement on payments in lieu of taxes, as undertaken in our letter of April 30, 1979 to the Board of the BRA.

New England Medical Center Hospital recognizes the problem the City faces with respect to its limited property tax base and believes that responsible institutions in the City should respond with appropriate measures to achieve an equitable solution. The Hospital has, as you know, been a substantial source of revenue to the City, directly as a taxpayer on non-exempt properties, and provider of free medical care to City residents, and indirectly as an educational and research center and major employer.

Your letters of January 30 to Mr. Parker and April 27 to Mr. Vey outlined the City's objectives in seeking such payments or contributions and the context in which you believed an agreement could be reached. Since that time there have been regular meetings here and with your staff to identify feasible alternative approaches. While we believe that substantial progress has been made in defining basic concepts, it has become evident that the application of these concepts to the constituent parts of Tufts-New England Medical Center will necessarily differ in each instance according to the resources and demographic characteristics of each part. It is of vital importance to us that we develop not only a rational and equitable basis for determining the level of payments, but also that we determine appropriate sources of revenue to meet any new operating expense. It is also important to us that our competitive positions vis-a-vis our comparable institutions not be impaired. In this regard we note

Mr. Robert J. Ryan
July 30, 1979

that the Zoning Commission voted by a substantial margin not to tie payments in lieu of taxes to the zoning appeals process.

In view of the importance of obtaining the remaining approvals for our Project 1B even as we progress to a comprehensive agreement, this Hospital is prepared to develop an employment program designed to give preferential consideration to residents of Boston and, in addition, to use the following basis for determination of appropriate payments:

A contribution or payment will be payable annually by the Hospital, determined by the sum of:

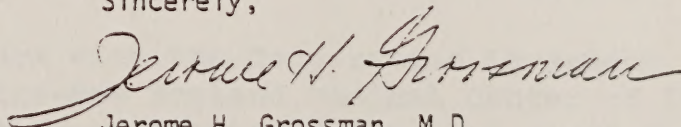
- a) the number of employees having a Boston residence on July 1 multiplied by an agreed rate per employee,
- b) the number of employees residing outside of Boston on July 1 multiplied by an agreed rate, which shall be higher than the rate in (a), per employee.

The intent of the differential in rate for Boston residence employees is to provide an incentive to the Hospital to employ Boston residents, who are in turn taxpayers to the City directly or indirectly.

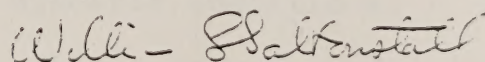
As another element of the overall objective we are also planning to institute a purchasing program that would give preference to local suppliers in instances where price and other terms are competitive.

We hereby reconfirm our intent to reach agreement promptly with the City on this important issue, consistent with the principles stated above. Our representatives are prepared to work diligently toward that goal, but we do not believe final terms can be settled by the time actions need to be taken by the BRA to approve the Land Disposition Agreement that is vital to the achievement of the Hospital's Project 1B. We trust that this undertaking on our part will permit the BRA to approve this Agreement at its next meeting scheduled for August 2, because to postpone action will jeopardize the benefits to the City and the Hospital which will result from the project.

Sincerely,



Jerome H. Grossman, M.D.
President, New England Medical Center
Hospital



William L. Saltonstall
Chairman of the Board of Governors

August 2, 1979

MEMORANDUM

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: ROBERT J. RYAN, DIRECTOR

SUBJECT: SOUTH COVE URBAN RENEWAL AREA R-92
DISPOSITION PARCEL P-4(1B) INCLUDING
DISCONTINUED AIR RIGHTS OVER WASHINGTON STREET
FINAL DESIGNATION OF REDEVELOPER

On February 1, 1979 the Authority approved the tentative designation of the New England Medical Center Hospital as redeveloper of Parcel P-4(1B) including the discontinued air rights over Washington Street in the South Cove Urban Renewal Area.

Disposition Parcel P-4(1B), including hospital-owned land as well as 5,800 square feet of land presently owned by the Authority, and the Discontinued Air Rights over Washington Street of approximately 11,900 square feet, are contiguous parcels 400 feet south of Stuart/Kneeland Streets.

New England Medical Center Hospital (NEMCH) proposes to construct their 1B project in an area bounded to the west by the Tufts-New England Medical Center parking garage and the Music Hall, and to the east by the Orange Line right-of-way. Approximately 85% of the land area of Parcel P-4(1B) is already owned by NEMCH. The air rights will be appraised in accordance with the Authority's disposition procedures.

The 1B project includes 96 pediatric beds and consolidated operating room center, plus all dependent hospital facilities such as clinics and doctors' offices.. The total built floor area is 276,000 square feet and the total estimated construction cost is \$30 million dollars.

The 1B project is in accordance with the Cooperation Agreement between the Authority and Tufts-New England Medical Center of 1966. The design has been under continuous review during its development and is both appropriate to the locality and to the overall master plan of NEMCH, subject to the following specific conditions:

- 1) The construction of a service road easement, 14 foot clear width by 14 foot clear height under the 1B project and generally in line with the former Dillaway Street;
- 2) The inclusion of an escalator for public use connecting the Washington Street grade with the grade of the existing plaza between the Music Hall and the TNEMC parking garage;
- 3) The inclusion of appropriate retail space associated with public routes under or adjacent to the project.

NEMCH has gained a Determination of Need from the Massachusetts Public Health Council for the 1B project. The Determination of Need expires in November, 1979.

Since the date of tentative designation the staff of the Authority has had regular meetings with representatives of the New England Medical Center Hospital (NEMCH) and Tufts University to identify feasible alternative approaches to developing an employment program designed to give preferential consideration to residents of Boston and to arrive at a method for determining in lieu of tax payments to the City of Boston.

I am pleased to report that NEMCH has agreed to make an annual payment to the City which is based on an agreed upon rate per employee. NEMCH has proposed a differential rate, with a lower amount paid for employees who are City of Boston residents than for employees living outside of the City. This is expected to provide an incentive to the hospital to employ Boston residents.

It is anticipated that the City will receive substantial payments from the hospital under this arrangement. At the present time, the hospital estimated its total employees (full and part-time) at 4,500. A final agreement covering this arrangement is expected to be reached promptly.

I feel at this time the City has made substantial progress with the New England Medical Center Hospital on negotiations relating to an in lieu of tax payment. To my knowledge, such an agreement establishing a voluntary employee tax with a non-profit institution is a breakthrough in the history of the city's negotiations.

Therefore, to show the City's good faith in these prolonged negotiations, it is recommended that the Authority adopt the attached resolution designating the New England Medical Center Hospital as the Redeveloper of Disposition Parcel P-4(1B) including the discontinued air rights over Washington Street in the South Cove Urban Renewal Area.

ATTACHMENT